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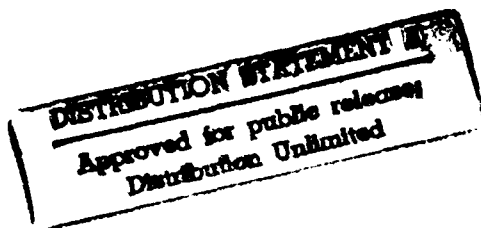


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A STUDY OF  
THE DOMESTIC BASE CLOSURE PROCESS:  
FROM THE 1980'S TO THE PRESENT

BY  
CHARLES E. CASSIDY

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A REPORT PRESENTED TO THE GRADUATE COMMITTEE OF THE  
DEPARTMENT OF CIVIL ENGINEERING IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF ENGINEERING

UNIVERSITY OF FLORIDA

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## **CHAPTER 1 INTRODUCTION**

### **1.1 Summary of the Issue**

The current closure of Department of Defense bases and facilities in the United States results from two basic policies currently in favor with the executive and legislative branches of the government. The first and most important policy is the desire to reduce the expenses of the Department of Defense, which has a significant affect on the overall budget of the United States. The second policy results from the desire to develop and coordinate an organized approach to determining and providing for our overall defense needs. This policy is based on evaluation of what is called the "Force-Structure Plan," which is the overall strategy for determining how many forces of which types, placed where, are needed to protect the national security interests of the United States.

The history, insight into the mechanics of the process and the implementation requirements of this public policy to close military installations is relevant to a specialized group of military and civilian civil engineers in Federal service for two reasons. First, these engineers, who are responsible for the planning, construction and maintenance of Federal Defense installations nationwide, are the professionals who must develop, provide and defend the technical data used for evaluation during the closure process. They need to understand the process, what the intention of Congress is and how their involvement can affect the outcome. Secondly, once a facility has been selected for closure, it is the engineers who are technically (and often administratively) responsible for carrying out the implementation requirements of the process until final closure of the installation. Therefore, they must know what is required by the law in order to carry out the closure properly.

In studying base closures and realignments from the 1980's until the present, this paper will investigate the positive and negative aspects of this process as it has been legislated by Congress and implemented by the Department of Defense. It is the purpose of this paper to evaluate the base closure process and implementation measures while commenting on how appropriate and effective they are in regards to achieving: (1) the goals of Congress, (2) the savings and efficiencies sought by the Department of Defense, and (3) the minimization of impacts felt by the surrounding civilian communities and the affected federal civilian personnel.

This investigation will be based on: (1) a brief review of the base closure process prior to the late 1980's, (2) a study of the 1988 Defense Secretary's Commission on Base Realignment and Closure, and (3) an analysis of the Defense Base Closure and Realignment Act of 1990. A case study will be utilized to summarize the 1990 process.

## 1.2 Political History

Since the early 1980's, the executive branch of the United States government has sought to reduce the growing national deficit and debt by various means. (In 1980, the first year of the Reagan Administration, the deficit was 60 billion dollars and the debt was 914 billion dollars compared to an estimated 1992 deficit of 365 billion dollars and a debt of 4.1 trillion dollars.) (1:314 & 2:358) One of the early policy initiatives undertaken by President Reagan, was to dispose of surplus federal real property by sale with the proceeds to be used to help retire the national debt. The proposed bill was entitled the "National Debt Retirement Act of 1982." (3:1) Other actions included the creation of the Property Management Initiative and issuance of Executive Order 12348, which established the Property Review Board, whose purpose was to facilitate the identification and speedy disposal of surplus federal properties. (4:4)

As the executive branch sought to curtail further government spending and to economize where possible, the Secretary of Defense revisited the old problem of base closures. He sought to find a way to pay for the significant one-time costs of closing bases, while avoiding some of the time consuming regulations required in the process. Secretary Carlucci worked with Congress to enact a one-time law that would achieve his objectives while ensuring that Congress had the ultimate approval authority of the recommendations.

Congress, in 1988, through enactment of Public Law 100-526, the Defense Authorization Amendments and Base Closure and Realignment Act, gave the Department of Defense the authorization to study and make base closure recommendations. At the same time, Congress retained control over the Department's actions in order to prevent sudden and unplanned base closures that historically have had significant negative effects on the communities in which they are based. This act was a progressive policy change from earlier Congressional mandates spelled out in Section 2687, Title 10, U. S. Code, that restricted the actions of the Secretary of Defense in closing bases. (5:5-12)

From the lessons learned in the 1988 process, and since the world situation had changed dramatically in 1989 and 1990, the Department of Defense sought to further review the need for all of its facilities. In cooperation with Congress, they developed a revised method to evaluate bases for possible closure while trying to minimize the impact to the local communities. These efforts resulted in the development and passage of Public Law 101-510, Title XXIX - The Defense Base Closure and Realignment Act of 1990.

### 1.3 Choosing Bases

The choice of which bases to close has always been controversial and often somewhat subjective. In the 1970's, when many bases were closed after the Vietnam Era, the Secretary of Defense made choices based on strategic needs as he saw them. His choices did not necessarily consider the total aspect of military bases and the interaction with the local economies that supported and were supported by them. This early policy upset Congress and eventually brought about Congressional control of the process after several communities were economically devastated by the sudden base closures. (An example of this occurred to the town of North Kingston, Rhode Island when Naval Air Station Quonset Point was closed in 1973.)

Because of the previous apparent subjectivity of the choices for base closure, the 1988 Defense Authorization Amendments and Base Closure and Realignment Act, established criteria for evaluating all bases. This process made a preliminary screening for conformance with the force-structure requirements and then utilized a follow-up detailed analysis to evaluate possible closure candidates. These closure candidates were then compiled by the Commission for presentation to the Secretary of Defense and subsequently to the President and Congress.

This process changed somewhat in 1990 with Public Law 101-510. With this law, the Secretary collected data and made recommendations to an independent Commission, who then modified it as necessary with input from the General Accounting Office. The Commission then presented the list to the President, and ultimately to Congress, who could either accept or reject the recommendations in their entirety, without the ability to make changes to individual bases. This last step prevented the obvious problems of having every Congressman trying to get "their" base off the list and ultimately deadlocking the whole process. (6:160)



#### 1.4 Implementation

Once the bases had been chosen for closure and approved, then the process to physically cease operations and prepare the facility for reduced operations, caretaker status or disposal began. Based on the previous experiences of how bases were improperly closed in the 1960's and 1970's, which often caused significant detrimental effects to their surrounding communities, Congress decided to add to Public Law 101-510 steps that the military departments must take to close their facilities in order to minimize the impact on adjacent communities. This whole area of implementation of base closures, will be a specific area of interest presented in this paper, specifically on how the Department of the Navy is addressing this issue for its facilities.

## **CHAPTER 2 BACKGROUND**

During the 1960's, the Kennedy Administration implemented the most extensive base closure and realignment program in American history. Hundreds of closures and realignments occurred with more than 60 major bases involved. Most of these actions were undertaken without Congressional interaction and when they occurred, Congress was unprepared for the economic and political consequences that resulted.

Determined not to let this happen again, Congress prepared legislation that would control the actions of the Department of Defense regarding base closures; however, it was vetoed by President Johnson. Base closures continued throughout the 1960's but during the 1970's the Department found it harder and harder to close facilities due to increased friction between the executive and legislative branches and Congress's restriction of funds to carry out these closures. Again, Congress enacted legislation that would control the process, but President Ford vetoed the legislation and the congressional veto override failed.

However, in 1977, President Carter finally gave Congress what it was seeking in this area, by approving legislation that listed several steps the Department of Defense had to comply with in order to close a base. This legislation became Section 2687, Title 10, U. S. Code. Previously, in 1969, the National Environmental Policy Act (NEPA) came into being. One of the significant provisions of this act required Environmental Impact Statements (EIS) on all projects that contained federal funding. These statements required the activity making the change to address what effects the proposed project would have on the community over a range of areas from environmental concerns to economic ones.

Together these two actions effectively brought a halt to base closures and realignments because of the inability of the military departments to meet all of the regulatory requirements while trying to resolve the political consequences of the closures in any kind of timely manner. (7:167-168)

**CHAPTER 3**  
**THE 1988 DEFENSE SECRETARY'S COMMISSION ON**  
**BASE REALIGNMENT AND CLOSURE**

**3.1 History**

In the late 1980's, Secretary of Defense Carlucci realized that some headway must be made in the political stalemate regarding base closures. He knew that significant amounts of money could be saved that would help with the national budget problems, while at the same time ensuring that defense readiness was maintained, if some form of change could be made. But the current laws so restricted the military departments and offered no funding to cover the one-time costs of closing bases, that no base closure actions proved successful for many years. Therefore, he sought out and worked with Congress to enact a one-time Base Closure Commission under Public Law 100-526, to study and make recommendations to the Secretary of Defense.

Under this legislation, the Commission was relieved from the time consuming National Environmental Policy Act requirements of preparing an Environmental Impact Statement during their review phase. This action alone allowed what normally took 18 to 24 months to do, to be carried out in only 7.

Additionally, a Base Closure Account was established and funded to pay for economic adjustment assistance, community planning assistance and for the one-time base closure costs, rather than making the military departments give up operating and maintenance funds for this purpose. This last item had always been a negative incentive to the services to close bases in the past, and this new separately funded account would now alleviate that problem. (7:168-169)

### 3.2 Criteria

The Charter for the Commission contained nine factors that would be used as a minimum for evaluation of all bases. They were:

- a. The current and future mission requirements;
- b. The availability and condition of land and facilities;
- c. Contingency, mobilization, and future force requirements;
- d. Cost and personnel implications;
- e. Extent and timing of savings, including whether the cost savings from the closing will exceed the cost of realignment within six years from the date of the closure;
- f. Economic impact on the community;
- g. Community support;
- h. Environmental impact; and
- i. Implementation process.

The Commission decided to use a two-step process in their evaluation of the bases. In the first step, they divided the bases into task forces and functional categories, had the military departments develop criteria for evaluation of each category, and then assigned weights to each criteria. Table 3-1 outlines these task forces and categories. (8:411) In the second step, they conducted a detailed analysis of those facilities with the lowest rankings in their respective functional category. The Commission also determined where excess capacity existed by category prior to ranking the more than 4,200 domestic defense properties. From this overall process the Commission determined which facilities could be closed and which could be realigned. (9:4)

**Table 3-1 Installation Task Forces and Categories**

<b>TASK FORCE</b>	<b>CATEGORY</b>
Ground	Operating Ground Operating Troops
Air	Operating Tactical Aircraft Operating Strategic Aircraft Operating Mobility Aircraft Operating Missiles Flying Training
Sea	Operating Surface Ships Operating Submarines
Training and Administration	Headquarters Training Classrooms
Depot	Maintenance Depots Supply Depots Munitions Facilities Industrial Facilities Production Facilities
All Other	Guard and Reserve Centers Communications/Intelligence Sites R&D Laboratories Special Operations Bases Space Operations Centers Medical Facilities

(8:411)

### **3.3 Recommendations**

Seven months later, in December of 1988, the Commission issued its report calling for the closing of 86 facilities and the realigning of 54 more with an estimated annual savings of \$700 million. While the force-structure was estimated to remain stable for the next 5 years, the Commission was recommending the closure of approximately 3 percent of the domestic bases. (7:168-169) Of the affected 145 military installations, only six Navy facilities were slated for closure and six for realignment. This brought sharp criticism from at least one Committee member who felt that the Navy had not cooperated fully with the Commission and suggested that they should be looked at more

closely if this process occurred again, irregardless of the administration's 600-ship policy. Table 3-2 lists the affected Navy facilities from the Commission's report.

(10:2-4)

**Table 3-2 Navy Facilities On the Base Closure and Realignment Report**

<b>FACILITY</b>	<b>ACTION</b>	<b>20 YR SAVINGS</b>
Hunters Point Naval Station, CA	Close	\$ 83,600,000
Lake Charles Naval Station, LA	Close	\$ 17,500,000
Brooklyn Naval Station, NY	Close	\$ 42,320,000
Philadelphia Hospital, PA	Close	*
Galveston Naval Station, TX	Close	\$ 34,100,000
Sand Point Naval Station, WA	Close	\$ 22,420,000
Long Beach Naval Station, CA	Realign	
San Diego Naval Station, CA	Realign	
Pearl Harbor Naval Station, HI	Realign	
Staten Island Naval Station, NY	Realign	
Ingleside Naval Station, TX	Realign	
Everett Naval Station, WA	Realign	

\* Report did not publish savings for this facility

(10:2-4)

### 3.4 Politics

Public Law 100-526, known as the Defense Authorization Amendments and Base Closure and Realignment Act, built in an automatic approval process to the Secretary of Defense's recommendations unless a joint resolution disapproving the recommendation was enacted within 45 days from March 1, 1989. (5:5) Additionally, the act provided that Congress must disapprove of the recommendations as a whole in order to prevent

them from approving some and rejecting others. On February 22, and March 1, 1989, hearings before the Military Installations and Facilities Subcommittee of the Committee on Armed Services House of Representatives were held. Significant testimony was heard supporting and condemning the Commission's report.

On March 1, 1989, House Joint Resolution 165 was introduced to disapprove of the Secretary's recommendations. After consideration of the testimony at the hearings and finding that no serious misconduct had occurred at the hands of the Commission, the Committee on Armed Services recommended that the joint resolution be rejected, which it was, allowing the Commission's recommendations to become law in May of 1989. (9:1-8)

### 3.5 Implementation

The closures listed in Table 3-2 are currently being implemented and are scheduled to be complete by October of 1995. The current figures indicate that the Department of Defense will realize an implementation savings of over \$500 million with an estimated annual savings of \$700 million thereafter. (7:169)



## CHAPTER 4 DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1990

### 4.1 History

In the two years following the 1988 Commission's Report, the world situation changed dramatically from the tearing down of the Berlin Wall and the dissolution of the Warsaw Pact to the beginning of the break-up of the Soviet Union. This change in world military power brought America face to face with the realization that it no longer needed the size and structure of the military force it then had or had planned for in 1988. Additionally, the current crisis in the Persian Gulf was showing us that our military forces were not as mobile or as deployable as we had thought they were. Because of these changes and realizations, the Secretary of Defense foresaw the need to reshape our force-structure from that of a strategic one to a smaller conventional one with the capability of rapidly responding to areas of developing regional conflicts.

Also at this time, the controversies over budget problems, the debt, and the deficit were paralyzing Congress. The Secretary of Defense felt that more savings could be obtained from closing and realigning bases since the size of the American military establishment was shrinking, meaning fewer personnel, less training, and obviously fewer facilities. Since the 1988 Commission was a one-time entity, the Secretary began the long and tedious process of closing bases under the Section 2687 procedure. In January of 1990, he announced his list of candidates for closure which began the 1 to 2 year period of required study.

Congress, feeling the economic and political pressure of the Nation, was also trying to find budget savings wherever reasonable, especially in the area of defense. They began a process with the Defense Department to draw up legislation that would

overcome the regulatory roadblocks placed before the Secretary in the base closure process. Based on the successes and failures of the 1988 Commission, Congress and the President, developed a better base closure evaluation and implementation process which was signed into law as Public Law 101-510 on November 5, 1990. It was officially called Title XXIX - Defense Base Closures and Realignment, but became more commonly known as the Defense Base Closure and Realignment Act of 1990. (7:170)

#### 4.2 Differences from the 1988 Process

There were many lessons Congress learned from the 1988 process that they sought to correct with this new law. The first was that the process should be open to the public and not be secretive. (9:5) Before, the Commission had met in closed chambers for "national security" reasons and no one knew of their recommendations until they were announced in December, 1988. This time, Congress mandated that the Commission hold their meetings in public, except for those specifically discussing classified material, conduct public hearings once the Secretary of Defense reported his recommendations, and be available to certain Congressional members for oversight purposes. (7:127-128)

The second major difference, related to the Commission working with the General Accounting Office. During the hearings after the 1988 Commission reported its findings, numerous politicians and local action groups inundated the Congress with information contradicting some of the Commission's findings and cost data. Without an independent agency looking over the Commission's procedures there was no satisfactory way to know who was right and who was wrong.

Therefore, the new law established that the General Accounting Office would work closely with the Department of Defense personnel who prepared the supporting

data for the Commission. After the Secretary of Defense released his recommendations to the Commission, the General Accounting Office would have one month to review the report and issue their findings relative to what the Defense Department was recommending. (11:2 & 7)

One of the more structurally different items between the two Commissions was how they were made up and who reported to whom. The 1988 Commission was selected by the Secretary of Defense and reported to him, who in turn reported to the President and then to Congress. However, Congress had felt that there was a lack of independence in this approach. In the new legislation, they mandated that the President choose the Commission members with the approval of the Senate. Additionally, they established that the Secretary of Defense should make his recommendations to the Commission, who could make changes to it, if appropriate, and then the Commission would report to the President and subsequently to Congress. (11:5)

Another difference was that of selecting the evaluation criteria. In 1988, the Department of Defense together with Congress choose the criteria. Congress now required that the Defense Department establish their own criteria and then put them out for public comment prior to use in the evaluation process. (7:129)

Additionally, Congress made this a multi-year process to be repeated in 1993 and 1995. This changed the one-time only attitude that the 1988 Commission faced and allowed for continued improvements in the base closure process. Tied in with this multi-year approach was the requirement for the Department of Defense to develop and present its force-structure plan every two years with a six year forecast for the military departments. A sort of rolling review and modification process. (7:129-130)

One final significant difference was that Congress decided to include environmental clean-up costs in the Base Closure Account rather than relying only on the Environmental Restoration Account. This decision was made to prevent unnecessary delays in clean-up and in property disposal which would affect the timing of the costs recouped from their sale. (6:169)

#### 4.3 Force-Structure Plan

Paragraph (a) of Section 2903 of Part A of Title XXIX of Public Law 101-510 prescribed that:

(1) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for each of the fiscal years 1992, 1994, and 1996, the Secretary shall include a force-structure plan for the Armed Forces based on an assessment by the Secretary of the probable threats to the national security during the six-year period beginning with the fiscal year for which the budget request is made and of the anticipated levels of funding that will be available for national defense purposes during such period.

(2) Such plan shall include, without any reference (directly or indirectly) to military installations inside the United States that may be closed or realigned under such plan -

(A) a description of the assessment referred to in paragraph (1);

(B) a description (i) of the anticipated force structure during and at the end of each such period for each military department, and (ii) of the units that will need to be forward based during and at the end of each such period; and

(C) a description of the anticipated implementation of such force-structure plan.

(11:129)

This was the Congressional mandate to the Department of Defense to determine where it was going over the next six years and what forces it would need to get there. This force-structure plan would then be a comparison tool for Congress to see if the

requested base closures and realignments made sense with what the Department said it was trying to achieve. This action was a significant difference from the 1988 Commission process which required no such plan, and a lesson learned from the subsequent hearings held after the 1988 report was issued when the lack of a plan made it difficult for Congress to understand the Defense Department's justifications. (11:129)

The Department then made a detailed study of the perceived world threats and issued a classified SECRET report to Congress. The unclassified summary of the plan and report indicate less of a global threat and more of a regional conflict scenario as experienced in the Persian Gulf with Operation Desert Shield/Desert Storm. Based on these threat assessments and the United States strategy for dealing with them, the strategic forces will be scaled back and the conventional forces will be restructured to meet the anticipated threats of the future. Table 4-1 lists the comparison forces and personnel changes. (7:15-22)

Table 4-1 Force-Structure Changes FY 90 - FY 95

FORCES	FY 90	FY 93	FY 95
<b>ARMY DIVISIONS</b>			
Active	18	14	12
Reserve	10	08	06
<b>MARINE CORPS DIVISIONS</b>			
Active	03	03	03
Reserve	01	01	01
<b>AIRCRAFT CARRIERS</b>	13	13	12
<b>CARRIER AIR WINGS</b>			
Active	13	11	11
Reserve	02	02	02
<b>BATTLE FORCE SHIPS</b>	545	464	451
<b>TACTICAL FIGHTER WINGS</b>			
Active	24	16	15
Reserve	12	12	11
<b>STRATEGIC BOMBERS</b>	268	171	181
<b>PERSONNEL (000)</b>	<b>FY 90</b>	<b>FY 93</b>	<b>FY 95</b>
<b>ACTIVE DUTY</b>			
Army	751	618	536
Navy	583	536	510
Marine Corps	197	182	171
Air Force	<u>539</u>	<u>458</u>	<u>437</u>
TOTAL	2,070	1,794	1,645
<b>RESERVES</b>	1,128	989	906
<b>CIVILIANS</b>	1,073	976	940

(7:15-22)

In summary, by the end of fiscal year 1995, as compared with fiscal year 1990, the Navy will have 94 fewer battle force ships, one less aircraft carrier and two less carrier air wings. The Air Force will have 10 less tactical fighter wings and the Army will have six fewer active divisions. (7:21)

#### 4.4 Criteria

In general, the Congress felt that the criteria for this evolution should be selected by the Department of Defense. They felt that the public and Congress should have the opportunity to comment on the proposed criteria and, once the comments had been received, the Secretary should publish the final criteria. This is the procedure that was followed. (11:129)

The proposed criteria for the 1990 process differed from those used in the 1988 process in two significant manners. First, the 1988 Commission gave a priority in their analysis to military value of bases and recommended for any follow-on reviews that other criteria such as community and environmental impact be evaluated with similar emphasis. Second, the first Commission felt that the six year "payback" period was too short and should be extended which might still show significant savings up to the 20 year point. The Department of Defense agreed with these comments and changed their proposed criteria to reflect these concerns. (7:23)

On November 23, 1990, the Department published in the Federal Register their proposed criteria, which generally followed the criteria used by the 1988 Commission, and sought public comment by December 31, 1990. However, they extended the comment period to January 24, 1991, in order to allow for the maximum amount of comment. There were 169 public comments received and these were grouped into four categories:

- a) general comments,
- b) military value comments,
- c) cost and "payback" comments, and
- d) impact comments.

All comments were evaluated, changes were made to the proposed criteria, and on February 15, 1991, the comments and the final criteria were published in the Federal Register. Table 4-2 is a list of these criteria. (12:4-13)

**Table 4-2 Final Criteria**

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**MILITARY VALUE**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.
2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
4. The cost and manpower implications,

**RETURN ON INVESTMENT**

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

**IMPACTS**

6. The economic impact on communities.
7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.
8. The environmental impact.

(12:4-13)

**4.5 Navy Process Overview**

For their part, the Department of the Navy analyzed their installations in the United States through a process of evaluating the shore activities in relation to the Navy



force-structure plan by categories. Under the Navy's review committee, called the Base Structure Committee, chaired by the Assistant Secretary of the Navy (Installations and Environment), these categories were formulated to account for mission differences, facility requirements, geographic factors and operational necessities within the Navy's area of responsibility. All facilities were examined including those which the 1988 Commission recommended either for realignment or as receiving locations for other displaced units.

Initially, analysis of capacity within each category was performed to determine if the potential existed for closure or realignment of facilities that primarily supported that category. Then alternative planning scenarios were evaluated and, lastly, the Department of Defense final selection criteria were applied. (13:5-8)

#### 4.6 Navy Categories

One of the lessons learned from the 1988 Commission was that Congress would want to see how each military department chose their respective candidates for closure. As hearings were held, the community and political leaders of those areas affected challenged the statistics used for each closure, often raising many questions that could not be defended by the services. The Navy, scolded by a former Commissioner as being the least cooperative to the previous Commission, elected to conduct a structured review process for examination of the Naval shore establishment. They utilized several in-place systems to assist them in this process. One was the Department of the Navy Shore Facility Planning System and the other was the Navy Facility Assets Data Base.

The first step that the Base Structure Commission took was to put all facilities within a functional category and then through a capacity analysis, determine which

categories had significant excess capacity. Table 4-3 is a complete listing of categories which cover all Navy facilities. (13:14)

Table 4-3 Navy Functional Categories

- |                            |                                    |
|----------------------------|------------------------------------|
| 1. Naval Stations          | 15. Supply Centers/Depots          |
| 2. Naval Air Stations      | 16. Inventory Control Points       |
| 3. Submarine Bases         | 17. Training                       |
| 4. Medical                 | 18. Educational                    |
| 5. Ordnance Storage        | 19. Air Reserve                    |
| 6. Ordnance Production     | 20. Communications/Intelligence    |
| 7. Strategic Ordnance      | 21. Administration                 |
| 8. RDT&E                   | 22. Construction Battalion Centers |
| 9. Technical Production    | 23. Public Works Centers           |
| 10. Shipyards              | 24. Reserve Centers                |
| 11. Ship Repair            | 25. Marine Corps Air Stations      |
| 12. Trident Refit          | 26. Marine Corps Recruiting Depot  |
| 13. Aviation Depots        | 27. Marine Corps Bases             |
| 14. Marine Corps Logistics | 28. Marine Corps Unique Mission    |

(13:14)

Those functional categories with significant excess capacity then received closer scrutiny by the Base Structure Committee. All bases within a category that had excess capacity, were then evaluated by the military value (the first four) criteria from the Department of Defense final criteria. Input from operational commanders was taken and the geographical criticality of each facility was considered. (The closure of some geographically key bases might adversely affect other bases not planned for closure thus necessitating careful consideration of their future.) At this point, those categories which contained no significant excesses were removed from further consideration for closure or realignment. The Navy called this the Phase I process.

The Phase II process entailed detailed review of all bases within those functional categories remaining from Phase I. All these facilities were evaluated against all eight of the final criteria. When this review was completed, the chairman of the Base Structure

Committee, the Assistant Secretary of the Navy (Installations and Environment), then made her recommendations to the Secretary of the Navy for facilities to be closed and realigned. (13:13)

#### 4.7 Capacity Analysis

When the categories were evaluated in light of the force-structure requirements, the Navy could determine what they had too much of and what they had too little of. This method of review is known as capacity analysis. This is how the method worked. First, units of measure were needed for evaluation. So, critical facility category codes were selected that best represented the capacity for bases serving that category. An example would be piers for Naval Stations or hangers and airfield pavement for Naval Air Stations.

Next, the Naval Facilities Engineering Command manual, Facility Planning Criteria for Navy and Marine Corps Shore Facilities, was consulted to determine quantities such as the number of feet of pier berthing space in the case of Naval Stations or number of square feet of pavement and hangers for Naval Air Stations needed to support the force-structure requirements. Other limiting factors such as security, in-port ratios, sea-shore rotation, explosives safety, etc. were considered in conjunction with the standard measurement units for significant effects on each installation as appropriate.

An example of how these other limiting factors might influence a category can be illustrated as follows. Consider a category such as Naval Air Stations with excess airfield pavement and hangers that might appear to be a candidate for excess capacity. However, another factor such as airspace congestion or limited use of airspace around

developed areas might limit the effectiveness of certain Naval Air Stations thus reducing their square footage from the calculations since they are in effect not fully usable.

Next the Navy Facilities Assets Data Base was utilized to compare what was available in the Navy's inventory against what was needed. Capacity excesses and deficiencies were then determined and identified for consideration by the Committee. Four categories were found to have excess capacity to the degree that they warranted further study. They were:

- (1) Naval Stations,
- (2) Naval Air Stations,
- (3) Shipyards, and
- (4) Marine Corps Air Stations.

Four additional categories did not have significant excess capacity but were set aside for further study because they were either: (a) of a "follower" nature that were not needed if other regional facilities were closed, (b) contained some parts that had deficiencies while others had excesses (typically at the sub category level), or (c) were recommended for consolidation. These four categories were:

- (1) Training,
- (2) Medical,
- (3) RDT&E, and
- (4) Construction Battalion Centers. (13:15-17)

#### 4.8 Environmental Costs

The issue of using the costs of cleaning-up contaminated sites on military installations in the return on investment evaluation criteria was a critical one. Because the Department of Defense has committed to cleaning-up its contaminated sites

(and such action would eventually take place whether the base was considered for closure or not), the position was ultimately taken that the costs for environmental clean-up were not to be considered in the cost calculations for return on investment or for the 20-year cost savings.

However, many facilities have environmental compliance costs associated with their day-to-day existence such as air, water and land pollution control facilities. If these costs can be avoided by the closure of a facility then they were to be factored into the costs, or savings, of that closing. Additionally, if certain installations could not be quickly cleaned-up then this may be a potential limitation on the near-term reuse of the property and affect the timing of when the estimated fair market value of the property, if any, is realized. Because of these environmental cost implications, Congress paid significant attention to them before, during and after the enacting legislation was passed. (12:11)

#### 4.9 Recommendations

On April 12, 1991, the Secretary of Defense transmitted his list of recommended closures and realignments to the Base Closure Commission and to Congress. He recommended 43 bases or facilities for closure and 28 for realignment. Included in this list were 11 Navy bases and 10 activities (for a total of 21) for closure, and one Navy base and 16 activities (for a total of 17) for realignment. (7:3-4)

In May, the Commission received the report from the General Accounting Office, analyzing the Secretary's recommendations. The Commission sought to gain a detailed understanding through public hearings and site visits of what the services were trying to do while balancing the fairness of the overall process. In eleven weeks, the Commission held 28 hearings and visited 47 major military installations.

On July 1, 1991, they transmitted their recommendations to the President who forwarded them to Congress on July 10, 1991. After making certain changes, the Commission's recommendation to the President identified 34 bases for closure (9 less than the Secretary recommended) and 48 for realignment (15 more than the Secretary recommended). The Commission reported that these actions were expected to achieve a net \$2.3 billion in savings after a one-time cost of \$4.1 billion with annual savings of \$1.5 billion after 1998. (11:7-8) Table 4-4 reflects the final Navy facilities selected by the Commission. Facilities that are so small that they fall below the Section 2687, Title 10 thresholds are not shown here. (14:1-26)

**Table 4-4 Major Navy Facilities On the Base Closure and Realignment Report**

<b>FACILITY</b>	<b>ACTION</b>	<b>20 YR SAVINGS</b>
Hunters Point Annex, CA	Close	\$ 1,600,000
Naval Station Long Beach, CA	Close	\$634,900,000
Naval Station Philadelphia, PA	Close	\$210,700,000
Naval Station Sand Point, WA	Close	-\$12,500,000 *
Naval Air Station Chase Field, TX	Close	\$ 95,200,000
Naval Air Station Moffett Field, CA	Close	\$357,100,000
Marine Corps Air Station Tustin, CA	Close	\$ 22,500,000
Naval Shipyard Philadelphia, PA	Close	\$171,900,000
Constrn. Battalion Ctr. Davisville, RI	Close	\$ 7,500,000
Naval Hospital Long Beach, CA	Close	\$ 17,600,000
Naval Air Facility Midway Island	Realign	\$ 53,300,000

\* Note this will cost not save in the 20 year time frame due to comparison of high one-time costs versus steady state savings (14:1-26)

## **CHAPTER 5**

### **OVERVIEW OF IMPLEMENTATION MEASURES**

#### **5.1 History**

As a result of base closures or realignments, local communities that have grown up over the years to support the base, often are the hardest hit by the sudden loss of employment. The supporting service industries, as well as the direct jobs at the installation to be closed, may constitute a significant percentage of the community job market and tax base. Therefore, when these jobs are lost, the ripple effects are felt over a wide area of influence and cause considerable concern among the community's political leaders.

Because of this down side of base closings, Congress, at the request of their local communities, sought to ease this burden by imposing certain regulations on the military department actually closing the base, while at the same time providing the means for those military departments to offer assistance programs to help the communities and affected civilian workers.

#### **5.2 Implementation Provisions**

When Congress constructed and approved Public Law 101-510 in 1990, it built in certain implementation provisions. These provisions outlined what the Department of Defense could and must do while carrying out their closures and realignments. They fell into three main areas: (1) environmental, (2) community action and (3) property disposal. Additionally, time limits were imposed on the process as well. All closures and realignments were mandated to be started within two years of Presidential approval of the recommendations and to be completed within six years of the same date.

Two significant changes in this law deviated from normal regulations already on the books and allowed variations in the areas of the National Environmental Policy Act of 1969 and the Federal Property and Administrative Services Act of 1949. These changes allowed the Secretary of Defense greater latitude in preparing for the closures and will be discussed in greater detail in later chapters. In addition, Congress established the Department of Defense Base Closure Account 1990 to fund certain closure actions and allowed for oversight of the whole process by certain reporting requirements. This also will be covered in more detail in a later chapter.

### 5.3 Facilities

Caught up early on in the base closure process was construction of previously planned facilities at installations that might be placed on the closure list. Because of this possibility, the execution of major construction contracts was stopped across the country unless a waiver was granted specifically allowing the contract to go forward. The Department of Defense did not want to suffer the waste of money as well as the political chastisement of building a new structure only to have it closed months later.

During the review process, the status of planned construction at bases being considered for closure and realignment, and anticipated replacement facilities at receiving installations were considered and evaluated. Obviously since nothing could happen until the closure list was approved, this caused a significant workload reduction in the normal design, contract and execution portions of each military department's construction contract divisions.

However, once the approval was granted, (or disapproval failed as Congress established in the law) then there was a rush to design, award and construct new



replacement facilities at receiving locations. This step, which often takes 2 to 5 years to accomplish, was a precursor to relocation of certain functions from one facility to another and forced the service engineering commands into a "fast track" mode immediately following the previous slow period. Needless to say there were some planning and execution problems with this sequence, but in typical "Can Do" fashion, the Naval Facilities Engineering Command was able to respond to the challenge.

Additionally, funds had to be budgeted for these new facilities. This again required a "fast track" of the budget approval process by Congress in order to start the so called "daisy chain" of events in the overall Military Construction program. Appendix A contains an outline of the base closure process relative to the out years and shows how the budgeting and construction of new facilities comes very early in the process and is critical to the follow on phases.

#### 5.4 Overview of Environmental Requirements

The two main environmental areas of concern in this process are the requirements of the National Environmental Policy Act (NEPA) of 1969 and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Both acts are discussed in more detail in Chapter 6, as well as the Defense Environmental Restoration Program that is utilized for cleanup of contaminated base sites.

#### 5.5 Overview of Community Action Programs

Congress spelled out in its legislation that the military departments should provide community assistance to those areas in need. Specifically, they should provide: (1) economic adjustment assistance, (2) community planning assistance and (3) out placement assistance to civilian personnel employed by the Department of Defense at the

military installations being closed or realigned. These programs are reviewed in Chapter 7 in detail.

#### 5.6 Overview of Property Disposal Requirements

And, finally, the rules for property disposal, which previously provided that the General Services Administration handle this function, were modified to allow the Secretary of Defense authority to dispose of surplus property under certain conditions and following certain disposal priorities. This subject will be covered in more detail in Chapter 8. (7:131-134)

## CHAPTER 6 ENVIRONMENTAL REQUIREMENTS

### 6.1 National Environmental Policy Act of 1969 (NEPA)

This all encompassing law affects any project that has federal funding or comes under the control of federal agencies. Its primary purpose is to force the agency initiating the action to take a "hard look" at what the impacts of its actions are to the area being acted upon. It particularly is important because it gives the public the chance to become involved in the decision-making process. Unfortunately, it is a costly and time consuming process that often frustrates the agency seeking to take the action. More often than not, if the agency's project is opposed, this process can allow knowledgeable opponents the opportunity to delay the starting of the project for a considerable period of time.

The act created the Council on Environmental Quality in the Executive Office of the President, to which federal agencies must submit their Environmental Impact Statements (EIS) for review. No action can take place on federal projects until the council approves the Environmental Impact Statement about that project. This EIS, as it is commonly known, requires that the action agency investigate the environmental impacts that the new action will have on the affected community or area. These impacts range from changes in the soil to economics and cover dozens of technical and subjective areas. This EIS is an all important document because it becomes the base document that managers must use to make their decisions. It also becomes a key legal document for any court cases held regarding the new action. (15:41-42)

The conflict between the Department of Defense in trying to close bases and the National Environmental Policy Act was that the Environmental Impact Statement was

often attacked by concerned citizens. The government would often be taken to court and held there for years awaiting resolution of critical issues, while politicians from the affected district constantly sought ways to frustrate the interested military department, which they perceived was trying to take jobs away from their district. These actions effectively prevented the Department from closing any major bases in the early and mid-1980's.

However, Congress responded to the Department's requests for "relief from the process" by suspending the requirements of NEPA, except for final property disposal and some realignment actions, in the 1988 base closure legislation. When the 1990 law was being framed, the Department again sought and received relief from the NEPA regulations under the same conditions.

In particular the law stated that, the President and the Commission, and except as specifically provided, the Department of Defense, shall not be subject to the provisions of the National Environmental Policy Act of 1969 according to paragraph (c) of Section 2905 of Public Law 101-510. Only in the areas of property disposal and movement of realigned or closed functions to a new receiving location is the Department required to carry out the NEPA Process. (16:13) However, even then the Department does not have to consider:

- (i) the need for closing or realigning the military installation which has been recommended for closure or realignment by the Commission;
- (ii) the need for transferring functions to any military installation which has been selected as the receiving installation; or
- (iii) military installations alternative to those recommended or selected. (7:133)

And to even further limit the Department's exposure in these remaining areas, any civil actions for judicial review against the requirements of the NEPA Process must be filed within 60 days after the date of such act or failure to act.

Therefore, the provisions of the National Environmental Policy Act were circumvented in the preliminary base closure process and greatly reduced during the implementation phase. This concession by Congress was allowed, however, with the understanding that the Secretary of Defense would ensure that the military departments carefully examined what effects the closures would have on the local communities.

#### 6.2 Environmental Restoration

An important concern of Congress in the base closure process was the proper clean-up of contaminated sites prior to disposal. Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), also known as the "Superfund Law," restoration of contaminated sites to environmentally safe conditions was mandated nationwide. In a follow on program, the Department of Defense established the Defense Environmental Restoration Program to ensure that the CERCLA requirements were met on military installations. Both of these became integral parts to the base closure process as did the funding for the actual site cleanup since Congress felt that the sale of the surplus property would not occur until the bases were properly decontaminated.

Therefore, in the implementation section of the law, Congress directed that:

The Secretary may - (C) carry out activities for the purposes of environmental restoration and mitigation at any such installation, and may use for such purposes funds in the Account or funds appropriated to the Department of Defense for environmental restoration and mitigation.

-(7:132)

In addition to recognizing the importance of the environmental restoration process, Congress allowed the Department of Defense to use several initiatives to expedite the process and thus speed the bases towards quick disposal. These Congressional backed initiatives fall under the section calling for the establishment of a model program (Section 2926). Under this program the Department will be required to seek:

- (1) methods to expedite the clean-up,
- (2) ways of accelerating the contracting process,
- (3) alternatives for avoiding disputes,
- (4) concurrent regulatory review, and
- (5) options for local reuse while clean-up is in progress.

The Department is also forming an Environmental Response Task Force to report on ways to:

- (1) improve interagency coordination of environmental response actions,
- (2) streamline and consolidate regulations, practices and policies, and
- (3) improve environmental restoration at closing bases. (7:122)

These actions listed above are taking place while the Department is reemphasizing efforts currently in progress to: "(1) use Interagency Agreements which specify details for restoration at National Priority List sites and (2) use Memoranda of Agreement between the Department of Defense and States for resolving technical disputes at these same National Priority List sites." (7:122)

### 6.3 Congressional Concerns

However, some members of Congress have some serious objections to the speed at which the clean-up program is moving. They state that the technology used to

clean-up sites within five years rather than say ten or fifteen is very different and much more expensive than that used for the longer period of time. These members feel that the "push" by local communities to get their hands on these properties as soon as possible, while at the same time taking no responsibility for the health risks, forces the Department of Defense to spend money unnecessarily.

It is argued also that it is very costly to clean-up the contamination assuming the highest economic use of the property, such as residential, when in fact much of the property will obviously be used for industrial and other purposes requiring lower levels of decontamination. It is also argued that some properties will never be able to be cleaned-up, such as test ranges and proving grounds where unknown numbers of unexploded ordnance lie buried beneath the ground.

These members of Congress argue that the "rush to throw money at clean-up" in order to quickly return the property to local communities may deserve the consideration of trying to spend the dwindling amount of available tax payer money as wisely as possible, rather than giving in to the local political pressure to turn the bases over as fast and as clean as possible. (12:109-116)

## **CHAPTER 7 COMMUNITY ACTION PROGRAMS**

### **7.1 Background**

In Section 2905, Implementation, of the 1990 base closure law, Congress states that the Secretary of Defense may - (B) provide -

- (i) economic adjustment assistance to any community located near a military installation being closed or realigned, and
- (ii) community planning assistance to any community located near a military installation to which functions will be transferred as a result of the closure or realignment of a military installation, if the Secretary of Defense determines that the financial resources available to the community (by grant or otherwise) for such purposes are inadequate, and may use for such purposes funds in the [base closure] Account or funds appropriated to the Department of Defense for economic adjustment assistance or community planning assistance. (7:131-132)

In July of 1991, representatives from the Chief of Naval Operations, Naval Facilities Engineering Command, Office of Economic Adjustment, Assistant Secretary of the Navy, Office of General Counsel, Bureau of Personnel, Office of Civilian Personnel Management, and several other major commands within the Navy were assembled to form a Base Closure/Community Liaison Working Group to assist Naval bases, personnel and communities affected by closure or realignment. Areas such as general information, legal requirements, community resources and employee resources were covered to assist those affected. (17:1)

### **7.2 Economic Adjustment Assistance**

In order to ease the impacts associated with base closures and realignments, typically the loss of jobs and supporting tax base on closing bases, and an increase of



infrastructure demands on receiving communities, the Department of Defense initiated an Economic Adjustment Program in 1961. In the 1970's, much of this function shifted to the President's Economic Adjustment Committee. This Committee is made up of members from 18 federal departments and agencies. As support staff to this committee, the Department of Defense Office of Economic Adjustment conducts surveys of past base closures and offers field consultation with communities on methods and funding for reuse and redevelopment of the closed facilities in their area when requested.

In general, the Economic Adjustment Committee interacts with state, federal and local agencies concerning methods to redevelop the community that is affected by changes from the base closures and realignments. Plans to generate new jobs and to assist in minimizing the resulting social and economic impacts are drawn up with the communities who request this assistance. Together with the community leaders, the Committee attempts to convert the physical and real estate assets of former bases to productive uses such as airports, industrial parks, recreational areas, educational campuses, and medical centers. Additionally, the Secretary of Defense is authorized to make grants where financial assistance to get a community plan "off the ground" is warranted. (7:119-120)

A study of 100 former military bases closed since 1961 revealed that communities can and have successfully adjusted to the base closures. In the five major categories of reuse it was found that:

- 75 former bases now have industrial and office parks located on them,
- 57 former bases now have educational institutions located on them,
- 42 former bases now have airports located on them,
- 27 former bases now have recreational facilities located on them, and
- 19 former bases now have health related activities located on them. (17:14)

The survey which measured "job replacement generation and reuses for the former bases, as accomplished and reported by the communities themselves ... [which] were conservative since they excluded secondary and off-base jobs" found:

- that new jobs do replace those lost by the Department of Defense. At bases where 93,000 former civil servant and contractor jobs were lost, 158,000 civilian jobs now exist.
- Additionally, new opportunities have been created in the area of education. Four-year colleges and post-secondary vocational technical institutes or community colleges now exist on former base locations. (7:120-121)

While the study noted that the 3 to 5 year transition period between the closing of the bases and the start-up of new civilian uses was occasionally hard on the communities, it did often provide the area with a large piece of developed and/or undeveloped land for long range planning and use in charting their future. (7:120-121)

The objectives of base reuse and job replacement which provide for community economic stability are reached through three phases. Organization of the community, planning for the future, and implementation of the plan. The Office of Economic Adjustment recommends that communities develop a committee of seven or nine members that cover a large cross-section of the public and private sectors. This committee should be assisted by a full-time professional staff, such as those found in many Chamber of Commerce Economic Development Departments. This organization would serve as: (1) the community focal point for interaction with state and federal agencies, (2) a forum for community issues and information, and (3) the leadership for developing the base reuse plan. (17:5-9) Appendix B contains a sample organizational chart showing how this committee would interact with the other players in this process.

The planning phase allows the community organization to identify what the impacts are, where the opportunities exist and what needs can be met. These goals can be met by building a consensus within the community on what their unique needs are, by preparing what the Office of Economic Adjustment calls a Base Reuse Plan, showing desired and zoned industrial and office parks, educational areas, etc. Then the organization needs to address how the physical property is to be converted, if necessary, and whether public or private funding is needed, and, if so, who will take the action to secure it. Finally, in this phase, the organization needs to keep the public and potential future users informed through the process while allowing input from these same sources as the situation develops and changes occur. (17:11-12)

In the final implementation phase, the committee will identify, acquire, and apply the resources to carry out the communities base reuse plan. Additionally, they will coordinate and expedite the development process while monitoring its progress. Their resources may come in the form of technical assistance, management help, financial aid, and public investment from federal, state or local sources, in addition to private sector financing. While the fruits of this process may not be seen in the early years, the actions of the local economic adjustment committee will pay off in the long run as the cyclical nature of markets and economic conditions drive growth in communities that plan for the future. (17:16-17)

Areas that have military installations that are receiving missions and personnel can also be affected rather suddenly. If there is a small change or a change in a large metropolitan area, then the impact of the change is probably insignificant. However, if a large mission entailing hundreds or thousands of personnel is relocated to a small or moderate sized community, then this can have sudden and often severe impacts. New

infrastructure needs such as roads, sewers, and schools, may be required in an expedited manner to accommodate the relocation. Usually communities have not budgeted for such sudden expenditures nor for the planning and design of them which must take place early on to meet their needs down the road.

Congress understood this problem from past experiences and allowed the Secretary of Defense to provide assistance, when requested, primarily in the form of grants, if the community was unable to meet such needs themselves. While this normally is a city planning function, again Congress has attempted to ease the political heat by offering to mitigate this type of impact on the community. It should be pointed out however, that the military departments take a back seat role in this area allowing the affected communities to handle most of the details. (7:119)

### 7.3 Homeowners Assistance Program

Obviously, when the announcement of a base closure or realignment is made that affects large numbers of workers relative to the community work force, or certain classes of workers relative to the housing market available to them, then serious negative affects such as the "bottom falling out" of the local housing market can occur. If the federal civil servants and military personnel who own housing in the local market are forced to move as a result of the closure, the Department of Defense recognizes that they may be at a serious disadvantage when it comes to selling their house. (18:775)

Because of this problem, the Homeowners Assistance Program was established in 1966 to help those families affected by forced moves resulting from base closure. The program assists employees who can not sell their home within a reasonable period of time by:

- buying their homes for 75 percent of their pre-closure announcement value, or
- reimbursing them for most lost equity should the homeowners sell the house for less than the pre-closure announcement value.
- [Additionally,] the program also provides relief for displaced employees facing foreclosure. (7:122)

The program is not a profit making one. While it was initially funded with appropriated funds with the intent to replenish it with the proceeds from houses that are sold or rented, these revenues do not totally cover the costs. Therefore, additional appropriations must be made from time to time to replenish the fund. The replenishment amounts for the fiscal year 1990 through 1993 programs, as shown in Table 7-1, indicate how much this assistance program actually costs in light of the 1991 base closings. (18:775)

Table 7-1 Cost to Reimburse Homeowners Assistance Fund

FY 1990 Program	\$ 8,100,000
FY 1991 Program	\$ 30,600,000
FY 1992 Program	\$ 89,000,000
FY 1993 Program	\$ 90,000,000

(18:775)

#### 7.4 Civilian Employee Assistance

With the announcements of base closures comes the fact that jobs will be lost. As facilities are closed and missions relocated, many of the functions performed by civil servants are abolished necessitating either relocation or termination of their jobs. Both the Department of Defense and Congress, while anticipating the savings from the closures regret the impact that it has on these individuals. Because of this unfortunate

side effect to the base closure process, the Department established a Priority Placement Program in the 1960's to help offset the closings of that decade.

This program uses a state-of-the-art automated referral system to match individuals skills and desires with available positions in other Department locations, both in and out of an individual's commuting area. This cost effective program, which is regarded as the most effective out-placement program in the Federal Service, sends bi-weekly notices out to every Department activity world wide listing skills available. The Civilian Personnel Office of each activity then matches skills with openings and starts the process of putting the two together.

The program is the main tool for placing adversely affected career civil servants who are interested in placement assistance. Approximately 63 percent are placed in Department or other Federal jobs and of the 14 percent who are actually separated, most could have been placed if they had been willing to move to other locations in the same geographic area. (19:39-43) Of those placed, surveys show that 99 percent of the supervisors who received employees through the program have been satisfied. Additionally, over 66 percent have held their last grades or have been promoted. (7:123)

The Department also is working with the Office of Personnel Management which runs the Interagency Placement Assistance Program. This program works outside the Department to help employees who face separation from their jobs before any reductions-in-force occur. Once the Department determines which employees do not wish to be moved to other job openings or for whom job possibilities are limited with the Department, then they can be registered with this program. (19:60)

Another program that is government wide is the Displaced Employee Program. This program assists other agency assistance programs by placing interested, affected employees on a Federal wide register for any geographic area of their choosing. Career employees who are separated are given a priority referral to fill available positions for a period of two years. (20:56)

In general, both Congress and the Department of Defense have held to the belief that the affected civilian employees should not be abandoned nor punished as a result of the base closure process. Some members of Congress have wondered if these programs can handle the thousands of civilian employees who are expected to be affected by the closures in effect and those anticipated. However, it must be remembered that with a federal work force of over a million employees and a Department of Defense attrition rate of 70,000 to 80,000 full-time career professionals per year, the system has significant capacity to absorb large numbers of affected workers. (19:36)

## **CHAPTER 8 PROPERTY DISPOSAL**

### **8.1 Background**

One of the significant areas considered by the 1988 and 1990 Commissions was that of disposal of surplus property resulting from the closure of military installations. At the foreground of this concern was controversy over the means of disposal of surplus federal property. During the early 1980's, the Reagan Administration sought to reduce the Federal deficit by disposing of surplus real property and putting the proceeds towards this purpose. While this idea was creative, it carried with it many problems and angered many in Congress who felt the President was "selling off the farm to pay the bills."

Though not directly related to the changed disposal practices allowed by Congress through the 1988 and 1990 enacting Base Closure legislation, these early efforts did lay the groundwork for the changes. They planted the seed in the mind of Congress that excess Federal property could be used to offset the costs for a cost saving program (base closure) without taking significant funds from other areas to get it started.

The basis of the changes stemmed from a negative incentive system that affected the closure of bases. When a base was closed in the past, there were significant costs associated with the relocation of the mission, movement of personnel and equipment, and the clean-up and turnover of the former installation. These costs typically came out of operating and maintenance funds and seriously affected needed training and support. Most military departments, while realizing the efficiencies of closing facilities in the long term, had to sacrifice short term funds to make it happen. When funds were scarce, as they usually were, they became even more reluctant to dig into their own



pockets to affect these long term economies. However, the Department of Defense had argued that if the funds from the disposal of surplus property at the closed bases could be utilized for the closure process, or if Congress would appropriate separate funds, then the closure process would not have a negative impact on the day-to-day operations of the services.

When the legislation was passed in 1988 for the first closure process, it contained significant changes to the methods of property disposal by the Department of Defense. The Secretary of Defense now could act as a disposal agent for the government and could recoup the proceeds from the sale of excess property to fund the closure process. These changes to the Federal Property and Administrative Services Act of 1949, which is the main law governing disposal of Federal property, allowed the Secretary to assume certain duties of the Administrator of the General Services Administration, and with limitations and conditions, oversee the disposal of Department of Defense excess property. (21:40-41)

## 8.2 The 1990 Law

With few exceptions, the property disposal process provided for in the 1988 enacting legislation was used again in the 1990 legislation. Section 2905, Implementation, paragraph (b), Management and Disposal of Property, stated that:

- The Administrator of General Services shall delegate to the Secretary of Defense, with respect to excess and surplus real property and facilities located at a military installation closed or realigned under this law -

- (A) the authority to use excess property,

- (B) the authority to dispose of surplus property,

- (C) the authority to grant approvals about surplus property,

(D) the authority to determine the availability of excess or surplus real property for wildlife conservation purposes.

- Additionally, the Secretary must follow all rules of the Federal Property and Administrative Services Act of 1949 and the Surplus Property Act of 1944 and may not enact new policies or methods for utilizing excess property and disposing of surplus property.

- The Secretary may transfer real property or facilities located at a military installation to be closed or realigned, with or without reimbursement, to a military department or other entity within the Department of Defense or the Coast Guard.

- Before disposal of any surplus real property or facility located at any military installation to be closed or realigned, the Secretary shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering any plan for the use of such property by the local community concerned.

- The provisions of the National Environmental Policy Act of 1969 shall apply to the property disposal process.

And under Section 2906, Account, proceeds received from the transfer or disposal of any property at a military installation closed or realigned shall be deposited into the Account which shall be administered by the Secretary.  
(7:132-133)

### 8.3 Hierarchy of Disposal

Once the closure list is finalized, then a few months later the disposal process begins (see Appendix A). At this point, the easy part has been done because the Department of Defense knew going into the recommendation stage what they wanted to dispose of. The next step is the hierarchical process to see what will really happen to the excess property, whether it will generate any proceeds or whether it will be "given away" during the disposal screening process.

As stated in the law, the Department has the first option to decide whether the excess property can be used for other Department needs. Since the underlying reason for closing the bases in the first place was that they were not needed, this option will seldom be utilized with the exception for small special mission portions of facilities that can operate outside the base support atmosphere. The Navy has strongly discouraged

retention of property at bases to be closed and established as their policy that approval can only be granted by the Chief of Naval Operations for retention of Navy property at these locations. (22:1)

Once the first option is passed, any remaining property not taken by other Department of Defense activities, is determined to be excess to the Department. The next option is a dual option in which the property is screened concurrently for other Federal agencies and for homeless providers under the McKinney Act. The screening for homeless providers is done by the Department of Housing and Urban Development and cannot start any earlier than 18 months before the date of proposed transfer.

In the case that there is an approved application for homeless use, the military department (the Navy) has two options. They can transfer the property to the Department of Housing and Urban Development or, if there is a "compelling federal need," they can transfer it to another Federal agency. In the event there is no homeless need, then other Federal agencies should have little difficulty in having the desired property transferred to them. Of course, the transfer at this stage is at fair market value unless specifically waived by the Office of Management and Budget.

Any property remaining available after the first and second options is determined to be surplus to the Federal government and notification of state and local governments begins. At this point, any property turned over must be in compliance with the National Environmental Policy Act (NEPA) and will require an Environmental Impact Statement (EIS) which will take about 18 months to complete. Critical to the EIS is knowledge about the intended end use of the base property and its structures. The base closure personnel must begin to work closely with the local community to establish what the future prospects of the base are in order to prepare the EIS.

The Department of Defense can convey surplus property to state and local entities for certain "public benefit uses" such as public health facilities, airports, recreational and educational areas, but deeds must clearly restrict the property's use to just that purpose. Similarly, wetlands and historical areas can be conveyed in much the same way.

The majority of the remaining property will probably be handled through a negotiated sale with local communities based on fair market value. This action is dependent, however, on the establishment of a community reuse plan as discussed in Chapter 7. At this point, both the base closure staff and the community reuse committee should be communicating quite often in order to convey what assets are available and their condition on one hand, while formulating a reuse strategy based on these assets on the other.

Typically, the reuse planning should be conducted in conjunction with the screening process due to the limited time available. The plan should be finished after the screening is complete, which in turn should be at least 12 months before planned disposal in order to allow time to complete the NEPA process (review of appendix A will clarify this time constraint). All actions in which property is to be sold to local or state governments must be reviewed by the Senate Committee on governmental affairs and the House Committee on government operations prior to such conveyance.

In the event that the community elects not to become involved in a reuse plan, then the final option is to offer the property for public sale. This sale may be handled by either sealed bid procedures or public auction, but can be sold only if the offering price is commensurate with the fair market value. (23:1-3)

During the phase down process prior to closure, large quantities of personal property such as office and barracks furniture, transportation equipment and industrial machinery will become available. The Navy has mandated that commands should seek to transfer such items for use to other Navy facilities where possible. Personal property excess to the Navy's needs will be turned over to the Defense Reutilization Marketing Office for reuse by other Department of Defense activities. (24:1)

Additionally, there may be a lengthy time between the end of the base's mission and acceptance of the property by another party. During this transition stage the General Services Administration has recommended a number of measures that should be performed to ensure that the property is properly cared for from a physical plant perspective as well as for security, safety and appearance concerns. It will be incumbent upon the base commanding officers to utilize their resources to see that these responsibilities are satisfied. (25:1-6)

## **CHAPTER 9 FUNDING AND OVERSIGHT**

### **9.1 The Account**

Congress mandated that an account, known as the Department of Defense Base Closure Account 1990, be established in the Treasury for administration by the Secretary of Defense. This type of account, which was first utilized for the 1988 closure process, remains basically the same in the 1990 legislation.

As mentioned earlier, paying for the closure process had been a negative incentive prior to 1988. After the changes Congress made to this process, "seed money" was placed into the account to get it started with the expectation that proceeds from the sale of surplus property would replenish the account. Additionally, the Secretary could transfer other appropriated funds into the account, with the approval of Congress, such as appropriated construction funds for programmed but unbuilt new facilities on bases to be closed.

The Secretary was limited in the use of the funds to items spelled out under the Implementation Section of the Law, Section 2905. These limitations included:

- acquisition of land,
- construction of replacement facilities,
- advance planning,
- planning and design of minor construction,
- operations and maintenance,
- economic adjustment assistance,
- community planning assistance,
- environmental restoration and mitigation,
- out placement assistance to civilian employees, and to
- reimburse other Federal agencies for similar services provided to the Department.

Additionally, limitations were placed on the level of funds used for construction without prior approval of Congress.

In Section 2923, "Funding for Environmental Restoration at Military Installations Scheduled for Closure Inside the United States," Congress also appropriated \$100,000,000 for the exclusive use of environmental clean-up at bases selected for closure. This effort was made to expedite the clean-up process by giving the Secretary authority to combine needed clean-up with the requirement to complete the closure process in the mandated time. Congress did not wish to have the required bases closed but not disposed of because separate clean-up legislation and funding had slowed down the overall process. (7:133-138)

## 9.2 Congressional Oversight

With the tainted base closure history from the 1960's, and the political concerns between the executive and the legislative branches of the government, Congress felt the need for some type of control and oversight to the program. Therefore, the 1990 legislation required the Department of Defense to make annual reports to the various Congressional committees regarding the status of the implementation process for the approved base closures and realignments. These reports include:

- a schedule of the closure and realignment actions each year,
- a description of actions at receiving facilities,
- costs and savings of the program,
- an assessment of the environmental effects at the receiving bases, and
- the funds remaining in the Base Closure Account at the end of the program.

(7:119)

## **CHAPTER 10**

### **A CASE STUDY OF CONSTRUCTION BATTALION CENTER DAVISVILLE, RI**

#### **10.1 History**

Established in 1942 as the Davisville Advance Base Depot, Construction Battalion Center (CBC) Davisville, Rhode Island, as it is known today, is the "Original Home of the Seabees." It is located some 20 miles south of Providence and contains approximately 1,300 acres of land at two locations, the main base site and Camp Fogarty. Its main mission has been as a mobilization base for Reserve Naval Mobile Construction Battalions while at the same time serving as a storage location for Prepositioned War Reserve Material Stock for these same battalions. (Under the one force concept, Reserve has been dropped from the name of these battalions. They are now called Naval Mobile Construction Battalions as their active duty counterparts are, although we will continue to refer to them as reserves for clarity to the reader.)

The base was part of a larger Naval Complex prior to the 1970's, but the Naval Shore Establishment Realignment Plan closed the adjacent Naval Air Station Quonset Point in 1973. Because of time and distance, the other Naval facilities in the Narragansett Bay area, primarily those located in Newport, are isolated from useful inter-action with CBC Davisville, further leading to the lack of attention it receives toward accepting other possible missions. (13:Tab H:10-11)

#### **10.2 Review Under the 1990 Base Closure Process**

One of the 28 Navy functional categories, as listed in Chapter 4, is Construction Battalion Centers or CBCs. Since CBCs perform a unique mission of support to Naval Mobile Construction Battalions, of which there are eight active and 15 reserve, as well as other units of the Naval Construction Force, they were set aside within their own



functional category for evaluation. Administration and training are two of the primary support functions provided by CBCs, but storage, preservation and shipment of Prepositioned War Reserve Material Stocks is also essential. There are three Construction Battalion Centers among the Navy's shore facilities, one in Davisville, Rhode Island, one in Gulfport, Mississippi, and one in Port Hueneme, California.

During the review process, when the capacity analysis was conducted for the CBCs, the critical facility categories of warehousing and administrative space were selected (training, which falls under another functional category was not considered directly associated with the requirements of the CBCs and therefore was not used as a critical category). It was found that there was a deficiency in the warehousing requirement and an excess in the administrative space requirement as shown in Table 10-1. (13:Tab H:1-2)

Table 10-1 Capacity Analysis of CBCs

<u>Indices/Measure</u>	<u>Inventory</u>	<u>Requirement</u>	<u>Excess/(Deficiency)</u>
Warehouse/KSF	5,062	5,889	(827)
Admin./KSF	540	403	137

\* KSF: 1000 square feet

(13:Tab H:1-2)

### 10.3 Final Criteria

The next step in the process was application of the final criteria since excess capacity did exist in this category. During Phase I, the Base Structure Committee looked at all the CBCs in regards to criteria 1-4 (military value). The Committee elected to use a color system to rank their evaluation of the bases against the criteria. Red was used to indicate closure and green was used to favor keeping the facility open with yellow

indicating the middle ground. Therefore each CBC was evaluated against these four criteria and received either a red, yellow or green rating for each of the evaluation components.

After reviewing the collected information, the Committee excluded from further consideration those bases distinguished in the fulfillment of the criteria (those with an overall green rating). Both CBC Gulfport and CBC Port Hueneme fell into this category as shown in Table 10-2. (13:Tab H:2-7).

Table 10-2 Phase I Ratings of CBCs					
Overall Rating (PH 1)	Installation	Mission Criteria (1)	Land/ Facilities Criteria (2)	Contingency/ Mobilization Criteria (3)	Cost/ Manpower Criteria (4)
Y	Davisville	R	Y	G	G
G	Gulfport	G	G	G	G
G	Port Hueneme	G	G	G	G
R: Red      Y: Yellow      G: Green					

(13:Tab H:2-7)

During Phase II, an initial cost analysis was performed and then criteria 1-4 and 6-8 were applied. Again, the color ratings were used for these criteria as the only remaining candidate, CBC Davisville, was evaluated in each area. Finally, criteria 5, Cost and Savings, was applied and the return on investment was calculated to determine if it made good business sense to recommend closure. Table 10-3 shows the final ratings for CBC Davisville. (13:Tab H:4-7)

Table 10-3 Phase II Ratings For CBC Davisville

<u>Installation</u>	<u>ROI Criteria (5)</u>	<u>Economic Impact Criteria (6)</u>	<u>Community Support Criteria (7)</u>	<u>Environmental Impact Criteria (8)</u>
Davisville	+30.1/-5.5	R	R	R

\* ROI (Return on investment): One Time Costs/Steady State Savings (\$M)  
(13:Tab H:4-7)

#### 10.4 Recommendation

Based on the evaluation of the criteria and considering: (a) the reduced mission of CBC Davisville (no longer a processing site for mobilizing reserves), (b) the high degree of readiness of the Reserve Naval Construction Force as seen during Operation Desert Shield/Desert Storm (thereby eliminating much of the need for pre-deployment training of reserves), (c) the reduced force-structure (two less reserve construction battalions), (d) the deteriorated condition of much of the personnel support facilities at CBC Davisville, and (e) the significant mobilization and support capability exhibited by CBCs Gulfport and Port Hueneme also during Operation Desert Shield/Desert Storm, the Committee recommended closure of CBC Davisville.

It was recommended also that the Prepositioned War Reserve Material Stock be distributed to the other two CBCs for ease of access by those commands responsible for its care and use. All three bases would be affected in the following manner:

#### CBC Davisville

- Relocation of four officers and four enlisted military personnel.
- Relocation of 30 civilian employees.
- Relocation of three Reserve Naval Mobile Construction Battalion (RNMCB) table of allowances (equipment) and other Prepositioned War Reserve Material Stock (PWRMS).

#### CBC Port Hueneme

- Increased storage requirement for one RNMCB table of allowance requiring some 90,000 square feet of new warehouse space.
- Increase of one officer and one enlisted military personnel.
- Increase of ten civilian employees.

#### CBC Gulfport

- Increased storage requirement for two RNMCB tables of allowance and other selected PWRMS requiring some 170,000 square feet of new warehouse space.
- Increase of three officer and three enlisted military personnel.
- Increase of 20 civilian employees. (13:Tab H:8)

### 10.5 Costs

The Department of Defense decided to use the same cost model during the 1990 process as was used by the 1988 Commission. It is called the Cost of Base Realignment Actions (COBRA) model and is used to calculate return on investment. (7:155) For CBC Davisville, using this model predicts that there will be a one-time cost of \$36,600,000 with a payback in 13 years and a return-on-investment of 10 years. Additionally, the recommendation shows a 20 year net present loss of approximately \$7,500,000. Once the closure is completed, the annual savings are projected to be \$5,500,000. (13:Tab H:8-9)

Not added in the cost model are the environmental clean-up costs that would be required if the base was left open or was closed. Among these are \$1,154,000 for closure and removal of 71 underground storage tanks, removal of PCB transformers, and disposal of stored hazardous waste. Also, there is an estimated \$25,000,000 worth of restoration costs that must be budgeted for or taken from other environmental accounts. (13:Tab H:13-14)

### 10.6 Impact

Closure of CBC Davisville will have little impact on the surrounding community because of the few full-time positions that exist at the base and because of the large

metropolitan area that surrounds it. The loss of 250 direct and indirect positions (0.3 % of the statistical area work force) will have little impact on the job market or the public schools. And since the work that is shifted to the other two CBCs is small compared to what they already do, it also will have a negligible impact on those communities. As far as environmental impact, closure will speed up the hazardous waste clean-up already under way at Davisville, and again will have a negligible affect on the other two bases because of the large volume of similar related activities they already conduct. (7:59)

#### 10.7 Implementation Plan

Before CBC Davisville can be closed, new storage facilities must be constructed at the other two CBCs. The programming for these facilities must occur no later than the fiscal year 1993-1994 time frame in order to meet closure deadlines. Some tenant commands also will remain behind and property transfer or relocation to spaces off the base must occur. (13:Tab H:14)

To monitor and oversee the base closure process, the Chief of Naval Operations utilizes a special section of his staff (called OP-44) which is comprised of Civil Engineer Corps Officers. This staff has developed an implementation plan and milestones for the closure process at each affected facility. While this staff does not carry out the details of the process they are responsible for oversight and guidance to the base commanding officers who must actually carry out the closure.

This special section has broken the process down into four major areas for planning purposes, they are: (1) draw down, (2) community reuse planning, (3) disposal and reuse environmental impact statement, and (4) environmental clean-up and property disposal. Table 10-4 outlines this plan for CBC Davisville as of February 1992. (14:1-2)

Table 10-4 Implementation Plan for CBC Davisville

Action	1991	1992	1993	1994	1995	Beyond
<b><u>1. Draw Down</u></b>						
(a) Closure Approved	OCT					
(b) Cease Primary Mission			SEP			
(c) Closure Implemented			SEP			
<b><u>2. Community Reuse Plan</u></b>						
(a) Establish Organization		MAR				
(b) Start Planning Process		MAR				
(c) Obtain Grant		SEP				
(d) Draft Preliminary Community Reuse Plan			JAN			
(e) Rec. Preliminary Available Acreage Info.			MAR			
(f) Finalize Reuse Plan				SEP		
<b><u>3. Disposal and Reuse Environmental Impact Statement (EIS)</u></b>						
(a) Begin EIS		MAY				
(b) Use Prelim. Reuse Plan in Draft EIS			JAN			
(c) EIS Record of Decision				SEP		
<b><u>4. Environmental Clean-up/Property Disposal</u></b>						
(a) Complete Prelim. Assessment/Site Inv. 1/90						
(b) Provide Prelim. Available Acreage Info.		JUL				
(c) Complete Remedial Investigations			JUL			
(d) Complete Feasibility Study (NO EPA review incl.)				JUL		
(e) Complete Baseline Survey & Suitability to Transfer					MAY	
(f) Property Available for Transfer					MAY	
(g) Complete Remedial Design						10/96
(h) Remedial Actions in Place						02/97
(i) Complete all Department Of Defense clean-up						02/99
(j) Remediated Property Available for Transfer						04/99
						(14:1-2)

As we can see there are many steps to this process and the timeline stretches over eight years. Some of the particulars about where the process is to date are as follows:

**A) Draw Down**

All tenants have been notified to vacate by September 1993.

**B) Impacts of Department Of Defense (DOD) Personnel**

Separation notices issued to 46 employees in September 1991, 31 were placed within DOD, 11 were placed with other federal agencies, and 4 were given severance pay and placed on the priority placement register. No further RIFs are planned as attrition is expected to handle the rest of the down sizing.

C) Community Planning

A community reuse group is being established including state and local officials with which the base Commanding Officer will work directly.

D) Environmental Planning

Phase I of the Remedial Investigation/Feasibility Study has been completed. Phase II should begin in August 1992. Two of the 14 identified sites are being remediated now and the remaining 12 will be further studied. A contract for the removal of approximately 60 underground storage tanks is underway.

E) Property Disposal

None disposed of to date. Screening process begun with internal DOD notice sent in December 1991. It should be complete by early 1993. The Rhode Island National Guard has expressed interest in Camp Fogarty via Army and Congressional channels. Nearly 1000 beds, mattresses and other basic furniture items were excessed from the closure of the barracks and turned over through the Defense Reutilization Marketing Office to the Neighborhood Furniture Bank of Rhode Island for distribution to the poor and the homeless. (14:1)

## **CHAPTER 11 CONCLUSIONS**

### **11.1 Overview**

The closing of bases has predominantly been driven by the intention to exercise good management practices within the Department of Defense. Some critics argue that political reprisals are at the heart of some closings but, in general, the overall philosophy has been well founded. On occasion, unfortunately, the perception, correct or incorrect, has been that the method of execution has not always been well founded. Herein lies the basic questions of this issue.

As one of the largest and most expensive organizations in the world, the United States of America Department of Defense has vast assets of personnel, equipment and facilities that require hundreds of billions of dollars each and every year just to operate and maintain them. Added to this, but not included in a yearly budget request, is the past financial investment in real and personal property, education and training of personnel, and research and development of defense systems.

Therefore, like any good corporate vice-president, the Secretary of Defense, as the principal agent in these matters for the chief executive officer, the President, has made what he considers to be a hard, but necessary budget decision based on the nature of the market conditions (the economy and the extent of national defense needs). While this may be a somewhat simplistic view, it serves to put the situation in perhaps a more businesslike perspective for ease of discussion.

Not uncommon to other business organizations, the Department has adopted some sound practices to deal with the "hard times" as one might call it. Businesses routinely



lay-off personnel when the work they perform is no longer needed or it is more efficient to consolidate their work to other locations. Additionally, plants, factories, real estate, equipment and other assets are sold off to cut operation and maintenance costs and generate additional capital. It is not uncommon to trade in or sell your old assets (your car, for example) when you wish to upgrade, change, or pursue a different asset, product line, or method of accomplishment.

In these terms, the Secretary has merely exercised good management philosophy towards cost savings and efficiencies in his organization when his goods were no longer widely needed (such as a draw down after war) or his marketplace (the world) no longer needed the deluxe version but only a medium one (such as a small rapidly responding conventional force rather than a large strategic one). As an executive agent for his organization, this is his responsibility to plan for and to implement to the best of his capabilities.

However, the stockholders of his organization have a somewhat different agenda in mind and frequently and forcefully let the executives know what it is through their elected leaders, the Congress. The American citizens who are the stockholders of this enormous organization feel that they should occasionally receive dividends and not have to pay into the organization all the time.

And, interestingly enough, when they realize that they must pay to keep the organization running, or to make sacrifices to this same effect, the stockholders do not mind as much provided someone else bears the burden. This, of course, is popularly known as the "Not in My Backyard" philosophy where everyone agrees that some action is needed but just do not ask them to sacrifice for it.

The conflict of interest between the executive and the stockholders (through the Congress) is that of "how to close bases," which saves money (and is good for the organization but bad for the local community who have to sacrifice personally for it), while at the same time easing the economic burden and negative impact on this same community. And, moreover, when these closings occur, are the choices used as a political tool to punish those unfriendly with the executives? These issues are at the heart of this conflict.

In the past, when the Department of Defense summarily closed hundreds of bases to save money, they felt they were taking the proper course of action. While Congress did not object to the saving of money, they did object to the apparent lack of objectivity in the selection process and the sudden and unplanned disruption of dozens of affected communities. Even though the Department did enact some programs to mediate the impact of these closures, Congress was angered by the lack of control they had over the methods and impacts of the whole process. This ultimately led Congress to pass legislation controlling the base closure process which in turn effectively prevented the Department of Defense from carrying out any cost savings in this area.

Fortunately, as years passed, emotions eased and both branches of the government realized that potential savings could occur if this process was revived. While the Department of Defense only wanted the ability to swiftly close bases, efficiently organize its missions and save money, Congress wanted to have safeguards against the negative impacts of the process. Therefore, in the late 1980's, both the executive and the legislative branches worked together to bring about legislation that enacted the 1988 base closure process as well as the revised 1990 process. How well did they do?

### 11.2 The Goals of Congress

Congress sought to achieve four main goals through their 1990 legislation of the base closure process. They were:

- (1) to allow the Department of Defense the opportunity to realize proclaimed budget savings by closing and realigning military bases and missions,
- (2) to control the methods and choices for closure in order to avoid subjectivity and political reprisals,
- (3) to minimize the negative impacts the closures and realignments had on communities, and
- (4) to aid in the quick environmental clean-up of contaminated base sites prior to disposal.

In general, these goals were met with a fair degree of success. The legislation allowed the Secretary of Defense to initiate his evaluation of the military facilities and to align them with the newly developed force-structure plan mandated by Congress. While the numbers have been questioned to some degree, significant savings, as verified by the General Accounting Office, are apparent.

The current figures indicate that the Department of Defense will realize an implementation savings of over \$500 million with an estimated annual savings of \$700 million thereafter from the 1988 process. (7:169) The latest Commission reported the 1990 closures were expected to achieve a net \$2.3 billion in savings after a one-time cost of \$4.1 billion with annual savings of \$1.5 billion after 1998. (11:7-8)

Through the establishment of criteria that were open for public comment, Congress established what they felt was a reasonable method for evaluating how objective the military departments actually were in their closure determinations. Later review and comment by the General Accounting Office indicated that the utilization of

these criteria was still somewhat subjective but, nevertheless, it was a workable format and appeared to remove the undesired political elements from the process.

When it came to impact reduction, Congress made the greatest strides here by legislating authority to facilitate community action programs and to provide money to the Secretary of Defense to help impacted communities. This was something which the Department of Defense had wanted to do just as much as Congress did though not with their limited operations and maintenance money. The economic adjustment, community planning and out placement assistance programs were all funded and advertised as positive means to help communities through the hard times of base closure.

Finally, environmental restoration was brought to the forefront as a real problem that needed attention and funding if surplus properties were to be quickly and properly disposed of to communities or offered for public sale. It was perceived as bad enough to close the local base, but to walk out on the long term health risks associated with past defense actions was unthinkable, and Congress knew that the local private and public sectors would have nothing to do with the clean-up. This action was particularly helpful in opening the eyes of all parties involved, from the public to the press, that environmental clean-up is a real and costly problem that affects all communities rather than being someone else's problem only.

### 11.3 The Objectives of the Department of Defense

What the Defense Department wanted out of this whole process was the ability to manage its forces and installations in a more efficient manner while avoiding the use of operations and maintenance funds for the one-time closure costs. Both of these objectives were realized though perhaps not as easily or freely as they might have wished. Both were accomplished however, with much less frustration than endured

during the 1960's to the early 1980's. Additionally, there were big bonuses that they previously did not have.

First, Congress established a separate account to fund the process. This relieved the Department from having to fund the closures out of shrinking operations and maintenance funds. Second, they were allowed to have control over the property disposal process. This afforded them more flexibility in moving units and missions while offering an incentive to dispose of property in order to use the proceeds to fund future closures. And, lastly, the environmental awareness level with its associated costs, was significantly raised such that Congress provided enacting legislation to help the Department solve the lengthy clean-up process as rapidly as possible.

#### 11.4 The Impacts on the Communities and Federal Civilian Employees

The communities who are affected bring reality to this whole process and Congress knew this. It was easy to sit in Washington D.C. and legislate this or that, but somewhere in America, men and women were going to lose jobs because of these actions. With unemployment in the 7 percent range, and the country in a recession, loss of jobs was hard to deal with and politically difficult to swallow, but so was an enormous defense budget and a debt approaching 4 trillion dollars.

Therefore, Congress attempted to ease the impact by authorizing and funding several ongoing assistance programs that the Department of Defense had used previously in similar circumstances. According to a study of past base closures, it was apparent that there would be an initial economic slump period when the bases first closed. But, if the community requested the help of the Office of Economic Adjustment and together they could develop a base reuse plan, then statistics showed that at the 3 to 5 year point the slump would turn around. Eventually, the former base could end up being

developed and utilized to provide even more jobs than it had under Department of Defense use. Additionally, for many communities this would open up large tracts of land near metropolitan areas that could be used for badly needed recreation and wildlife purposes.

The concerns of the federal civilian work force were also appreciated. While little could be done about the actual loss of jobs at certain locations, employees were assisted in finding work at other Defense locations and federal agencies through placement programs. Though not 100 percent effective, these programs generally were of help to the majority of those willing to relocate.

#### 11.5 Summary

As with many difficult situations, compromise solutions are available if the parties are all willing to make some sacrifices. In this particular case, while trying to cut costs and save jobs at the same time, Congress as the overall controlling entity for the base closure process, took a partial approach to both. They agreed to cut costs by closing justifiable, unneeded, expensive bases while at the same time offering assistance to those who were being directly affected.

It was a fair and reasonable approach to a delicate but necessary situation, and the efforts and compromises of those who fought for years over this legislation was truly worthwhile. In terms of overall success it should be regarded as a win-win-win situation, even though some of those at locations where major bases are being closed might not agree.

The enacting legislation was only 14 pages long and provided for a fair and expedited method to evaluate what needed to be done. The process was fairly

straightforward and prescribed implementation measures that were generous but not restrictive to the Secretary of Defense. It appears that the years of battles and dozens of hearings held on the matter resulted in an appropriate and effective handling of this issue. While not everyone was satisfied, which would have been a truly rare event in politics, the majority were. After four years into the process, the closures seem to be progressing steadily and smoothly with little criticism, which is a tribute to the apparent evenhandedness of the whole effort. As with many programs, once started, they end up being not as unfavorable as the opponents feared they would be. This appears to have been the case with this one.

Of particular interest, it was refreshing to see Congress include the "all or nothing" portion of the legislation that limited the back room political maneuvering of which bases to add and which to cut once the recommended list was determined. In general, the whole effort to compromise where deadlock existed before, offers hope that ways can be found to overcome other significant governmental problems.

#### 11.6 Recommendations For Further Study

Other useful areas that could be considered for further study on this topic would include:

- (a) what are the one-time costs and cost savings realized from the closures during the 1988 process,
- (b) what is the extent of economic adjustment assistance provided in the aftermath of the 1988 closures,
- (c) what effect did the 1988 closures have on federal civilian personnel,
- (d) what actually happened to federal property in the disposal process versus what was planned, and
- (e) what effect did site contamination play in the disposal process.

## **CHAPTER 12**

### **LESSONS LEARNED**

#### **12.1 Overview**

From the view point of those who have the responsibility for military facilities, such as the Naval Facilities Engineering Command and the Civil Engineer Corps Officers for the Navy, they must ask themselves "where do we go from here? What do we do now as we look towards future closures?" Typically, most officers and civilian leaders are loyal to their immediate command, but in relation to this issue, this may not always appear to be true.

Military officers who move every few years to different commands are consciously being trained for the "big picture" throughout their careers. Therefore, what position should the Public Works Officer for a base or the Staff Civil Engineer advising an admiral take? Of course, the officer's immediate responsibility is to his or her particular job, but what of the big picture? Perhaps, because of their lack of roots, or their logical, methodical approach to problems, or the subtle success of the Navy's "big picture" training, the officer's answer might be to do what is best for the Navy over what is best for his particular base or local staff. But this could be a very hard decision to make when he has worked with these civilians for years and does not wish to see them displaced.

Fortunately, or unfortunately, depending on the perspective, because this situation has already occurred with the privatization of work on military facilities over the last 10 years and, proven to be acceptable, the officer must recognize that such things will continue to happen whether he as the facility professional objects to it or not.



Is it not better to work with the process towards its fairest objective ends, and are not we, as professionals, in a better position to do this than any others when it comes to this business? Who better knows the Navy's infrastructure problems, the lack of maintenance funding, the environmental clean-up headaches, the budget cuts and shortfalls, the environmental compliance costs, the construction process, manpower and ceiling point constraints, the availability and condition of land, facilities and airspace at Navy installations (criteria 1), the ability to accommodate contingency, mobilization and future requirements at Navy facilities (criteria 2), the ability of facility infrastructure to support forces, missions and personnel (criteria 7), and the environmental impact of these changes (criteria 8)?

To work with the process means that the military and civilian leaders must do their best in all these areas. They must look out for their personnel, since they are the organization's most valuable asset. They must respond to command's interests with an objective eye and carry out the Navy's mission requirements with compassion and understanding of the local situation. Truly a delicate balance must be struck and, while the Civil Engineer Corps Officers have been doing this throughout their careers, perhaps it is time for them to improve their skills in this area.

Base closure is not totally subjective, it is based on objective measures such as square feet of warehousing and liner feet of berthing. It is based on the degree to which Military Construction and Maintenance of Real Property backlogs impair current and future mission requirements. The effects of programmed environmental costs or cost avoidance are a part of it, also. This is the arena in which the closure process works. The Civil Engineer Corps Officer needs to understand it if he or she is to have any affect on the outcome.

## **12.2 What Factors To Look For That Affect Base Closure**

The first step is to realize that different factors affect different functional categories. What one looks for in submarine bases is not the same as for educational training activities. There are 28 Navy functional categories as previously shown in Table 4-3. The place to start is by determining what category the installation of concern fits into.

Next, the officer needs to realize that this is a two phase review. If the installation can be excluded in Phase I, then it is usually dropped from further evaluation until the next closure review year. If the facility is not excluded at the end of Phase I, then it is looked at in more depth during Phase II, but even then the majority are not recommended for closure.

During the first Phase, the Navy force-structure is converted into shore facility requirements through use of the Shore Facility Planning System (SFPS). This will then be compared to the existing facility inventory obtained from the Navy Facility Assets Data Base (NFADB). Both of these steps are typically beyond the control or influence of most base commands or next echelon staffs. Those functional categories without excess capacity will usually be excluded from further review at this point, since it would not make sense to close a base supporting an under strength category. The exception to this is if your base falls within a geographical complex that is subject to closure (such as Orlando or Philadelphia) where several bases are mutually supporting.

For bases in geographical complexes, the process is somewhat more confusing. Certain installations are located to support key facilities and are interrelated or considered to be "follower" facilities, such as regional hospitals and public works centers.

If the key geographical base falls to closure, other bases and facilities, even in under strength categories, may fall with it. This is based on the idea that without that key facility the other installations in the geographic complex may not prove to be cost effective or may have few areas to provide support to.

In those categories with excess capacity, all bases providing that support will be judged against each other to see which ones do the best job relative to criteria 1-4. If the bases are equally ranked after evaluation, those which have other positive assets: tenants with critical missions, special physical attributes such as deep water berthing or few air space restrictions, key geographical location, or strategic importance will typically rank higher in comparison.

The important point here is to look at how much excess capacity does the category have and what is the condition of the base relative to its competition to meet the first four criteria? Further, does the facility have any special attributes or can it get them?

At the end of Phase I, step 4, of the Base Structure Committee's review process termed Base Evaluation, the committee moves to step 5, Exclusions from Further Review. At this point, an overall color rating will be given to each base. Those with a green rating will be dropped from further consideration, those with a yellow or red will move on to Phase II for evaluation against all eight criteria, especially criteria 5, return on investment.

Comparisons of those at the bottom of the rating process will determine which bases are likely candidates for closure in order to bring the excess capacity numbers down near zero. The worst of the worst will be the most likely choices. In the case

study, those who know Construction Battalion Centers can readily see why CBC Davisville was cut relative to CBCs Gulfport and Port Hueneme. The process only evaluates bases against sister bases, not all bases. It is important to be better than the competition in this regard. (13:51-75)

There are some criteria over which there is little influence at the local level such as certain aspects of mission suitability and community support. However others such as availability and quality of facilities, and quality of life (bachelor housing, recreational areas, housing, medical facilities, etc.) are within the local command's capability to influence, maybe not in the short term, but certainly in the long one. The key is to know the rules of the game and to plan and budget effectively. At the same time the concerned command must diplomatically interact with the local community and the chain-of-command to make your base a model for others to follow, not a follower of others. This is the strategy to keep the base, with all of its problems and uniqueness, off the closure list. In this way both the people win (by keeping their jobs) and the Navy is improved (by having an efficient and mission ready base), a win-win proposition.

### 12.3 What to do if Your Base is Recommended for Closure

Closing a base is just as hard, if not harder a job, as working to keep one open. It, unfortunately, receives less glory, endures poorer moral, and can leave the officer or civilian involved with a positive sense of accomplishment in a negative sort of way. It goes against the engineer's mentality of "building for a better tomorrow" and can be depressing for a first or second tour junior officer who joined the Civil Engineer Corps to build something.

Most of us know that adversity can be a better teacher than prosperity. This task, while not necessarily building a physical structure can build that famed quality of character and can require more leadership capabilities than one might realize. To work with employees whose moral is at the bottom, to be objective about what is the best way to deal with a particular closure problem, to be part of the interaction with the local community who may be receiving all or parts of your facility, are just as important in the development of a professional leader as being a Resident Officer in Charge of Construction or an officer in a Construction Battalion and, harder to experience.

The decision to close a base may seem to waste facilities or be a poor judgment on the part of someone "up the chain-of-command," but that individual "up the chain-of-command" was probably an Ensign once and is now trying to make the best call for the Navy from his or her viewpoint of the "big picture." Therefore, learning to support the closure that may not seem right, while at the same time helping those affected by it, is perhaps the most important quality that will be required in this process.

Other areas of importance include, environmental clean-up and restoration, interaction with follow-on users about physical assets and their condition, communication with civilian employees about what is happening and what assistance is available to them, and property disposal. Many of the details in these areas will be unfamiliar to the Civil Engineer Corps officer responsible for closing a base, but a base closure is a unique opportunity in which to gain experience in them.

#### 12.4 Conclusion

Whether the military or civilian engineer has the responsibility to prepare a base against closure or to actually close one, either will offer unique experience opportunities. The closure process can be influenced, but not by anything new or revolutionary.

The way to work with it is through understanding what the rules are (to keep open or to close) and by utilizing personnel, knowledge and dedication to doing the best job possible. Anything more than that is not professionally or ethically possible.

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# APPENDIX A BASE CLOSURE PROCESS

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
CLOSURE LIST Congressional Action					
		DEFENSE ACTIONS			
BUDGET NEW FACILITIES					
	DESIGN AND CONSTRUCT NEW FACILITIES				
		CLOSURE ACTIVITIES			
		Relocate Mission		Close Base	
		ENVIRONMENTAL CLEANUP ACTIVITIES			
	R/FS			Remedial Actions	
		PROPERTY DISPOSAL NEPA REQUIREMENT			
		Scoping	Draft	Final	ROD
					Caretaker Status
		PROPERTY DISPOSAL ACTIONS			
		Excess	Surplus		
	DOD Screening	Informal Federal Screening	Homeless/Federal Screening	State/Local Screening	Sell/Convey
		JOINT DOD/COMMUNITY ACTIONS			
		COMMUNITY PLANNING ASSISTANCE			
Provide Assistance		Base Reuse Planning		Detailed Plans	
			PROPERTY ACQUISITION NEGOTIATIONS		
		COMMUNITY ACTIONS			
ORGANIZATION					
		PLANNING			
	Adjustment Strategy	Draft Reuse Plan	Adopt Reuse Plan	Detailed Planning	
			LOCAL ZONING		
			CAPITAL FACILITY PROGRAMMING		
		MARKET PROPERTY			
		INTERIM USE			
				ACQUIRE PROPERTY	

## APPENDIX B

# Base Closure Organizational Relationships

